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Greetings:

As a result of passage of House Enrolled act 1216 (HEA 1216) and Senate Enrolled Act 418 (SEA 418) during the first Regular Session of the 2011 Indiana General Assembly, the Indiana Common Construction Wage Act (CCW Act) and the process by which “prevailing” wages are determined for state and local government construction projects in Indiana changed on July 1, 2011.

Beginning January 1, 2012, only construction projects where the value of construction is \$250,000 or greater are covered by the Act. On January 1, 2013, that threshold is scheduled to increase to \$350,000.

The Indiana department of Labor will continue to assist and support state and local government agencies, construction contractors, construction workers, construction labor organizations, engineers, architects, and other stakeholders who use the Common Construction Wage process.

The following notice contains important information about changes to the Common Construction Wage Act and guidance to assist stakeholders in managing the Common Construction Wage determination process. Further information about the Common Construction Wage Act is available online at <http://www.in.gov/dol/2723.htm>.

Sincerely,

Rick J. Ruble
Deputy Commissioner of Labor and General Counsel

Effective January 1, 2012, the Common Construction Wage Act covers most state and local public construction projects where the cost of construction is \$250,000 or more. That threshold increases to \$350,000 on January 1, 2013. Awarding Agencies are no longer required to adopt separate wage scales for each project. Wage scales adopted in these hearings will now apply to all projects covered by the Common Construction Wage Act that are awarded by that Awarding Agency within three (3) months of the scale's adoption.

The Role of the Department of Labor

The Indiana Department of Labor will continue to play a role in the Common Construction Wage determination process. The Department will continue to assist and support state and local government agencies, construction contractors, construction workers, construction labor organizations, engineers, architects, and bond counsel. The Department will continue to schedule hearings, participate in hearings, catalogue wage scales, and administer and enforce the Act in accordance with the spirit and intent of the Indiana Common Construction Wage Act.

Committee Constitution

Common Construction Wage committees determine the scale of wages to be paid to workers on public construction projects covered by the Act. These committees are comprised of a representative of the Awarding Agency, an appointee of the Awarding Agency who resides in the county and pays taxes that will fund the project, a representative of the Indiana State Building and Construction Trades Council, a representative of the Associated Builders and Contractors and a representative of the Legislative Body of the county where the project is located. The County Legislative Body representative must also reside in the county and pay taxes that will fund the project.

Evidence Presented at Committee Hearings

Committees are no longer required to consider reports from the Indiana Department of Workforce Development. Instead, committees are now required to consider reports with respect to wages scales submitted by both the Indiana State Building and Construction Trades Council and the Associated Builders and Contractors. Committees may also consider any other information submitted by any person to the committee.

Wage Scale Expiration

A scale of wages adopted by a state or local government agency for a covered construction project also applies to any other public work construction contract for which the awarding government agency awards bids not later than three (3) months after the date the committee adopts the wage scale for the original project. Thus, a wage determination made for a covered public work construction project applies to any other covered public work construction project undertaken by the same government agency and in the same Indiana county where the wage determination was made for the first project, as long as the construction contract is "let" (awarded) within three (3) months after the date of the original wage determination.

Adopt "Complete" Wage Scales

If an awarding state or local government agency adopts a scale of wages for a covered construction project, and then advertises for a subsequent covered public work construction project that requires the employment of construction "trades" or "crafts" that are not listed on the existing wage scale, the Common Construction Wage Act requires the awarding agency to form a new Common Construction

Wage committee to determine the classifications and wages for the subsequent contract. Thus, it is important for state and local government awarding agencies and Common Construction Wage committees to adopt “complete” wage scales, including classifications and wages for all trades or crafts that may be employed on the agency’s construction projects for the duration of the three-month coverage of an adopted wage scale.

Bid-Splitting Prohibited

The amended Common Construction Wage Act prohibits artificially dividing a construction project into multiple projects (“bid-splitting”) to avoid coverage of the Act and provides a penalty and two (2) year “debarment” for knowing violation of the bid-splitting prohibition.